

CITY OF POULSBO
Kitsap County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. Internal Controls Should Be Improved Over Municipal Court Cash Receipting And Accounts Receivable

We found the following internal control weaknesses at the City of Poulsbo's Municipal Court:

- a. The cash till was reconciled and deposited only once per week.
- b. Court clerks performed both cashiering duties and posted receipts to citations and accounts receivable ledgers.
- c. The lead court clerk performed cash receipting, cash till reconciliation, deposit preparation, and deposit delivery.
- d. No control account existed with which to reconcile the accounts receivable subsidiary ledgers.

By not reconciling and depositing cash receipts daily, not adequately segregating duties, and not reconciling accounts receivable subsidiary ledgers with a control account, errors and omissions could occur for some time without discovery by management.

The lack of controls was caused in part by inadequate staffing in municipal court. City officials are in the process of moving some duties to the finance department. They are also putting all municipal court records, including citations and accounts receivable, on a new computer system.

We recommend that the City of Poulsbo improve internal controls over the areas noted above.